

## Connected TV Is The New Live TV Advertising

**According to fresh data from Frank N. Magid Associates and TubeMogul, connecting TV sets to the Internet has breached the mainstream, with implications for programmers and advertisers alike.**

The majority of American households now have TVs that are connected to the internet, according to new data from Frank N. Magid Associate in partnership with advertising software platform TubeMogul. Connected TV penetration – through gaming consoles, set-top boxes, and internet-enabled Smart TVs – has more than doubled from 26% of U.S. households in 2013 to 53% this year. The most recent Magid research shows that number increasing to 64% among Americans ages 19 to 37. The increase signals that connected TV is finally breaking into the mainstream, and its continued growth suggests a major shift in the advertising landscape.

Magid's research indicates that the increase in TV connectivity comes alongside the proliferation of set-top boxes and smart TVs on the market. In 2013, a significant majority (64%) of those households that connected their TVs to the Internet did so through a gaming device. This year, the number of households relying on gaming consoles decreased to 45%. In that same time span, households using devices exclusively meant for connecting TVs to the internet has exploded. Smart TV connection grew from 29% to 38%, while Roku's penetration increased 91% to 21% of households. Similarly, Google Chromecast netted a 14% share in less than two years on the market.

This influx of hardware follows directly behind the expansion of content options. Magid's 2014 Media Futures study showed the percentage of households subscribing to Netflix, Hulu, or Amazon Instant Video hitting 53% - a majority behavior for the first time. In 2015, subscriptions to these three services increased to 62% among the general population and 76% among consumers ages 19-37. A significant long tail for streaming content is also developing: Roku now boasts more than 2,500 paid and free channels, up from 1,700 last year.

"This mix of big screens, digital content depth, and affordable connectivity hardware goes to show to that connected TV isn't just here to stay" said Mike Vorhaus, President of Magid Advisors. "It's beating live TV at its own game. Connected TV is the new TV."

Magid data shows that TV sets are quickly becoming the preferred device for streaming TV content – the average Netflix subscriber watches more Netflix content on a connected TV than any other platform. And TV connectors spend nearly 30% of their online video time on connected TVs.

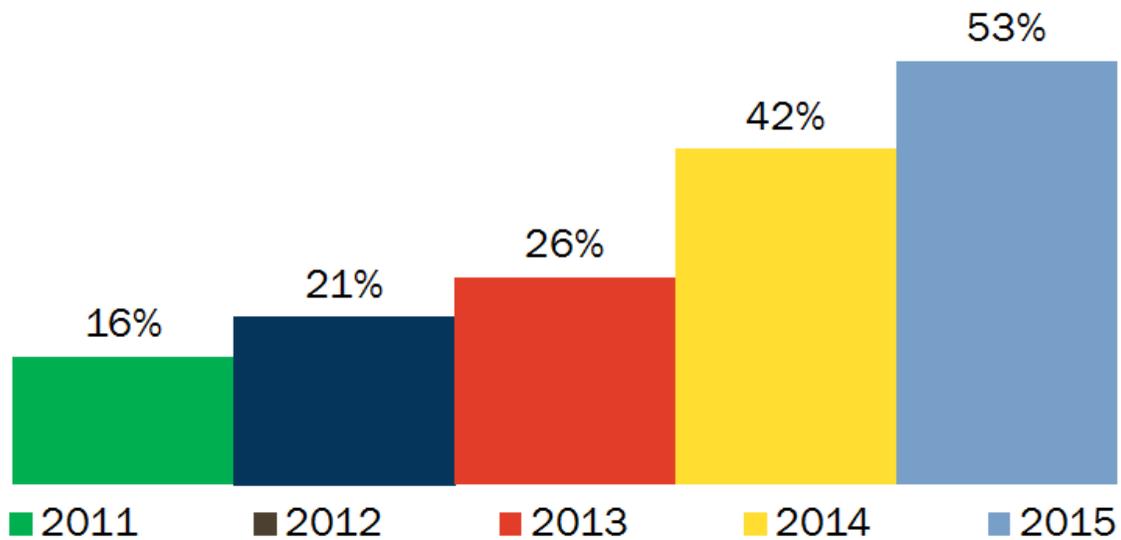
Data from forward-thinking connected TV leaders like TubeMogul suggests that the comparisons with live TV carry over to advertising as well. TubeMogul's recently announced connected TV viewability measurement solution shows 70-90% viewability for directly purchased inventory on content streamed on a TV set.

"Connected TV combines the flexible targeting of digital with the engagement of live TV," said Vorhaus. "Buying connected TV inventory is looking more and more like buying live TV, and that's a home run for savvy advertisers."

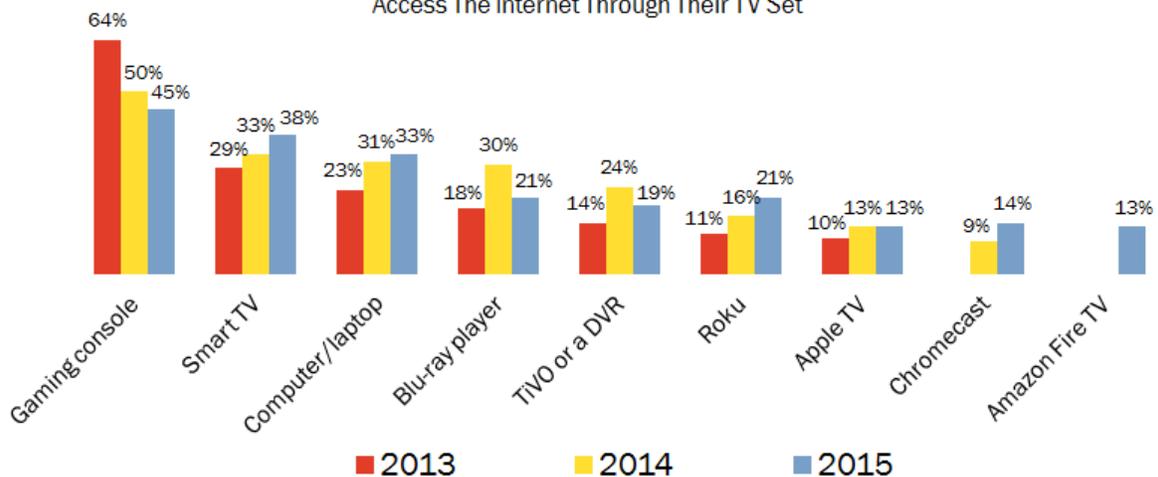
Magid's data comes from the 2015 Magid Media Futures study, a nationally representative survey of 2,400 Americans' media consumption and technology adoption habits. The survey was conducted online in June of this year.

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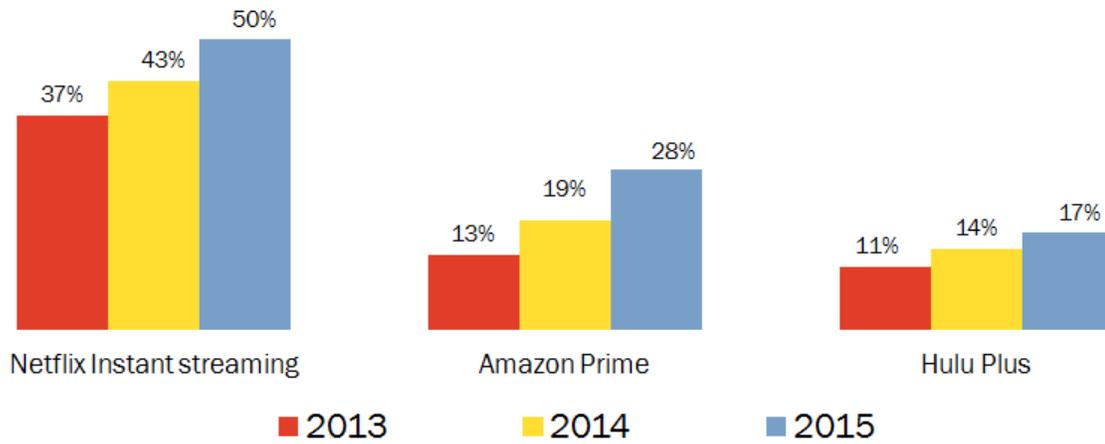
% Of Respondents Who Access The Internet Through Their TV Set



% Of Respondents Using Each Device To Access The Internet Through Their TV Set



% Of Respondents Subscribing To Each Streaming Video Service



% Of Weekly Online Video Time Spend By Device

